



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 11/07/2022 | Report No: ESRSA02400



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Ukraine	EUROPE AND CENTRAL ASIA	P180245	
Project Name	Health Enhancement And Lifesaving (HEAL) Ukraine Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Health, Nutrition & Population	Investment Project Financing	11/10/2022	12/20/2022
Borrower(s)	Implementing Agency(ies)		
Ministry of Finance	Ministry of Health		

Proposed Development Objective

The project development objective (PDO) is to restore and improve access to essential health services, address new and urgent needs for health services, and enhance financial protection.

Financing (in USD Million)	Amount
Total Project Cost	500.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

Yes

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed project will address immediate needs to support health system recovery. It will help (1) expand access to mental health and rehabilitation services, (2) strengthen primary health care to (re)connect patients with family doctors, and address accumulated disruptions associated with the COVID-19 pandemic and ongoing war, (3) support needed modernization of hospital services, and (4) assist in capacity-building, digitalization, and innovations, for better access, quality, and efficiency of health services.

This project will be financed by an IBRD loan guaranteed by the Government of Spain and grant financing provided through the Global Financing Facility for Women, Children, and Adolescents (GFF).



D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The war in Ukraine has devastated health care infrastructure, interrupted the delivery of routine health services in many localities, and increased need for a mental health support and rehabilitation. Health facilities were explicitly targeted by Russian aerial bombardment and missile attacks to destroy the network and affect the ability of the medical facilities to provide urgent medical aid. As of September 1, 2022, 489 healthcare facilities, equivalent to 5.3 percent of public providers, have been destroyed or damaged. Health service utilization fell sharply in the first months of the war – a 90 percent decrease in referrals for diagnostic procedures and a 40 percent decrease in service utilization – but has picked up since mid-summer, thanks in part to external financing. According to the Ukraine Rapid Damage and Needs Assessment (RDNA), prepared by the Government of Ukraine, World Bank, and European Commission, health sector damage is estimated at \$1.4 billion, with a further \$6.4 billion in losses (including foregone care and private sector revenues). The entire needs of the health sector – including the accumulated infrastructure damage and losses to the health sector, as well as the scale-up of critical health services for the population of Ukraine – are estimated to be US\$15.1 billion. Ukraine will also require significant resources not only to rebuild its hospitals, but also to modernize them and increase their efficiency and resilience. Such efforts will also require supplementary investments in digital innovations and capacity.

The project consists of four components that comprehensively include key directions to heal the disrupted health system.

The first component addresses the new needs for mental health and rehabilitation services arising from war-related trauma, and also the dramatically increased mental health burden during the war as a long-term effect of the COVID-19 pandemic, through providing funding for essential inputs, such as the development of clinical protocols, training, equipment, and deployment of facility-based services and mobile teams and using results-based funding in the form of PBCs to finance the actual delivery of mental health and rehabilitation services to people.

The second component focuses on re-connecting people to essential primary health care services to address the large foregone care burden that has accumulated during the war and the COVID-19 pandemic and improving financial protection to people that require access to medicines. This component provides equipment to damaged and under-resourced primary health care facilities and mobile teams, renovates damaged and inadequate primary health care centers (including making them more climate and energy-shock resistant).

The third component will renovate and equip hospitals that have been damaged during the war or are otherwise inadequate to meet the needs of the catchment populations, with investments limited to those facilities that are part of the hospital network optimization plan (which will also be reviewed and revised through technical assistance provided by the project).

The fourth component focuses on strengthening of the overall health system in order to better support system recovery and restoration of access to quality care, including investment in the e-Health system, strengthening of the capacity of the central health agencies (such as MOH, NHSU, CPA, Center of Public Health, and e-Health Agency) which provide sectoral stewardship and oversight, and allowing for further innovation in the delivery of care. The project is intended to serve as a core financing, providing resources for an initial set of urgent activities. Its framework can also be used to guide parallel co-financing from other lenders when common approach will need to be considered. Over the long term, the project goal is to gradually shift from urgent needs to supporting recovery to strengthening reform directions.

The risks associated with the project activities include both usual construction-related risks such as dust, noise, disturbance, construction-related pollution and waste as well as war-related enhanced OHS risks such as potential for community and worker health and safety incidents, Explosive Remanence of War (ERW) and demining concerns.



Project entails reconstruction/rehabilitation activities and one of the criteria for choice of the facility would be the safety for implementing works in a specific location. It is not envisaged that any works will be conducted in the immediate vicinity of the war line and there are no plans to use military or police for security purposes under the project. The sites are likely to still be exposed to the risk of indiscriminate or targeted aerial bombardment that is currently being experienced across the country - there is risk that healthcare infrastructure facilities and nearby communities may be impacted by such attacks.

D. 2. Borrower’s Institutional Capacity

Institutional and implementation arrangements for the project will be delivered through the Project Implementation Unit established at the Ministry of Health of Ukraine that currently serves as the PIU for Serving People Improving Health Project and COVID-19 Emergency Vaccination Project. Even though the PIU has a designated environment and social focal point, who will be responsible for the preparation of environmental and social instruments and conducting stakeholder engagement activities during project preparation, given additional work scope associated with the new project activities, there is a need to hire additional ES staff into PIU. This requirement will be reflected into the ESCP for the project.

Implementation of the citizen engagement activities currently carried out by the PIU team in collaboration with the third-party independent non-government organization for the ongoing Bank financed project will continue to be applied for the new project and will be described in the Stakeholder Engagement Plan for the upcoming project. This helps to involve civil society and patients organizations in disseminating information about project financed activities and in counselling populations with limited access to information and/or vulnerable groups.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

Environmental risks and impacts are mostly associated with project-related civil works (for rehabilitation/installation of infrastructure/equipment) and issues associated with operations of healthcare facilities. Rehabilitation and construction related risks include potential increased pollution due to improper care, handling and storage of construction material and waste; temporary impact on cross drainage; water/soils quality impacts in case of construction pollution as well as pressures on the environment caused by the material sourcing; generation of excessive noise and dust levels from trucks and other construction machinery; soil disturbance during earth works; tree-cutting and loss of vegetation; negative impact on ecosystems (through disturbance); traffic safety issues; community and workers’ health and safety incidents. Healthcare facilities operations related risks include design and functional layout for new/refurbished facilities to ensure separations, sterilization and storage procedures and practices to manage the spread of chemical, biological and medical infections. Other healthcare operations and maintenance (O&M) risks include medical waste management; contaminated wastewater from medical and chemical disinfection; human exposure to infections/ diseases; occupational radiation risks of healthcare workers from radiology and fire safety risks from chemicals, pressurized gases and their flammable substrates. These risks are site-specific and temporary and can be mitigated by existing construction and healthcare management best practices. However, these risks may be exacerbated by potential aerial bombardments and other military actions which add an element of extreme uncertainty and risk of fatality or serious injury that cannot be entirely mitigated by environmental and social management measures. Also, there is risk that project sites may become a target for aerial bombardment which will endanger nearby communities and site workers. Other war-related risks include possible site contaminations with

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hazardous compounds (including but not limited to hazardous medical waste) and explosive remnants of war (ERW). The Project activities are scheduled to start from soft activities in short-term perspective (trainings, installation of equipment, minor repair works) and move to more on-the-ground activities in middle-term (rehabilitation to facilities) and one of the criteria for choice of the facility would be the safety for implementing works in a specific location. An Emergency Preparedness and Response Plan will be prepared as part of subproject ESMPs and include measures to protect the safety and security of project personnel and nearby communities. The Borrower is an experienced Implementing Agency with dedicated staff and numerous regional network of representatives, also actively employing third-party monitoring practices. The Borrower's PIU will be strengthened with additional ES staff. Considering all of the above, the Environmental Risk is rated as Substantial and the risk rating will be re-assessed as needed. High Risk sub-projects will be ineligible for financing under this project.

Social Risk Rating

Substantial

The activities supported by the Project will take place within a highly volatile context beyond the immediate control of the implementing agency and include occupational health, safety and security risks posed by the Russian military invasion. The Project's social risk is therefore classified as Substantial. Preventative measures required to be in place for the project activities under emergency conditions will be described in the project's Environmental and Social Commitment Plan (ESCP) and Project Operations Manual (POM). These include principles for information disclosure and consultation, grievance redress, monitoring and ESIRT reporting by the designated environmental and social focal point. The project aims to reconnect patients to primary care providers, including in new localities to which they have been displaced, to ensure future access to essential preventive health services (such as mental health support, immunization) as well as catching up on healthcare which could not be delivered due to the conflict. Project associated works are to be conducted in areas of the country that are away from the immediate vicinity of the warfront and there are no plans to use military or police for security purposes under the project. However, the sites are likely still exposed to risk of indiscriminate or targeted aerial bombardment that is currently being experienced across the country. There is a risk that healthcare infrastructure facilities and nearby communities may be impacted by such attacks.

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B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

Environmental and social risks and impacts are mostly associated with project-related civil works (for construction/rehabilitation/installation of infrastructure/equipment) and those associated with healthcare operations. Key potential impacts include possible air/soil/water pollution, vegetation clearance, noise/dust, negative impact on ecosystems, waste management issues, traffic safety issues, potential economic displacement, community and workers' health and safety risks. Healthcare facilities operations related risks include design and functional layout for new/refurbished facilities to ensure separations, sterilization and storage procedures and practices to manage the spread of chemical, biological and medical infections. Other healthcare operations and maintenance (O&M) risks include medical waste management; contaminated wastewater from medical and chemical disinfection; human exposure to infections/ diseases; occupational radiation risks of healthcare workers from radiology and fire safety risks from chemicals, pressurized gases and their flammable substrates, emergency situations (such as fires, power



outages, etc.). Each healthcare facility to be rehabilitated under the project will be equipped with fire safety equipment and emergency response plans will be developed. Given mobile teams exposure to unforeseen emergencies when on site, all mobile teams will have proper fire safety equipment on hand and be trained in respective emergency response protocols.

However, the activities supported by the Project will take place within a highly volatile context beyond the immediate control of the implementing agency, thus, these risks, while site-specific and temporary, may be exasperated by potential indiscriminate or targeted aerial bombardments and other military actions which add an element of extreme uncertainty and risk of fatality or serious injury that cannot be entirely mitigated by environmental and social management measures.

The PIU will prepare an emergency Environmental and Social Management Framework (ESMF). This will include procedures, criteria, and responsibilities for subproject screening for identifying those which might require an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plans (ESMPs) or simplified ESMP Checklists. The ESMF will describe potential E&S impacts and mitigation measures for common groups of activities, including preparation of additional site-specific ES management plans (such as Traffic Management Plan, Waste Management Plan, etc.), as relevant. The ESMF will provide a monitoring plan format that includes monitoring indicators, timing, methods, institutional responsibilities.

The ESMF will cover construction-related and healthcare facilities operations related risks, including OHS risks, waste management and community health and safety risks.

The ESMF will include instructions and template for preparation of Emergency Preparedness and Response Plans (EPRPs). EPRPs will include measures to protect the safety and security of project personnel and nearby communities from war-related hazards, as well as information on warning system and designated shelters, and will be prepared as part of subproject ESMPs.

The ESMF will include Labor Management Procedures addressing risk of SEA/SH incidents and a grievance process for workers with contact details for service providers.

The ESMF will be prepared no later than 90 days after project Effectiveness and before the start of any civil works. Furthermore, safety issues undermine the Borrower's and Bank's ability to supervise the project activities; thus the project will have to strongly rely on the existing E&S instrumental baseline and E&S capacity of implementing parties. It will be important that a trained dedicated environmental and social specialist is engaged by the PIU to screen, assess and manage impacts associated with the rehabilitation works and installation of equipment, as well as general and war-related OHS and community health and safety impacts, and to provide guidance to the local implementing parties.

ESS10 Stakeholder Engagement and Information Disclosure

The PIU under Ministry of Health that will be responsible for the implementation of the project has a good track record in promoting stakeholder engagement activities in Bank-financed projects to the date. They work closely with the local NGOs and successfully use Third Party Monitoring (TPM) in their operations. The current state of martial law and military activity contexts mean that there are extremely limited engagement and consultation options. It is inadvisable to encourage large in-person meetings of local stakeholders due to risk of aerial bombardment and virtual consultations will only reach a limited number of representative stakeholders without additional support measures. Project information and guidance on options for feedback and grievance redress will be disseminated through virtual consultations, with participating organizations and local administrations. The PIU has used similar approaches during the preparation of the COVID-19 Vaccination Project and is familiar with conducting regular stakeholder consultation



virtually. Given the emergency context, dissemination of information associated with exact location of project activities will be controlled in order to minimize risk of strategic aerial bombardment. The project will prepare an overall project Stakeholder Engagement Plan (SEP) by Appraisal which will identify potential project-affected and other interested parties and will outline measures for engagement with these stakeholders. The SEP will be prepared based on limited online consultations with representatives of key stakeholder groups. The SEP will specify the institutional roles and responsibilities, timeline, and budget for conducting the stakeholder engagement during implementation. The PIUs will build upon existing Grievance Redress Mechanisms (GRMs) used for other two Bank financed project that will be rolled out to cover HEAL project activities. They will maintain it throughout project implementation dedicating sufficient resources and staff time to GRM management.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The project workforce will include direct workers and contracted workers. At this stage, it is unknown if the involvement of the community workers will be required under project activities and will be determined later during project implementation.

Labor management procedures (LMP) will be included in the project ESMF and required as one of mandatory E&S instruments. The LMP will include codes of conduct to prevent and manage incidents of SEA/SH and will also include measures to ensure that participating businesses and cooperatives screen for and monitor activities to prevent occurrences of harmful child or forced labor and that grievance mechanisms are available for direct and contracted workers. Activities that involve significant labor risk will not be financed under the project.

Key OHS issues of the Project are the following: accidents during demolition works, traffic accidents, exposure to construction airborne agents (dust, asbestos), lack of workers' awareness on occupational health and safety requirements such as the use of Personal Protective Equipment (PPE) and safe workplace practices. Healthcare facilities operations related OHS risks include design and functional layout for new/refurbished facilities to ensure separations, sterilization and storage procedures and practices to manage the spread of chemical, biological and medical infections.

Additional threats to workers are posed by unexploded ordinance (UXOs) and indiscriminate or targeted aerial attacks – these risks will be covered by Emergency Response Plan developed and implemented as part of ESMF. OHS risks and associated screening and mitigation measures will be identified in the ESMF and respective site-specific ESMPs as required. This will include a template for site-specific Occupational Health and Safety (OHS) Plans. The project will also follow the WB COVID-19 guidance at construction sites as well as the latest COVID 19 guidance and best practices by WHO as they evolve.

Operational risks for healthcare facilities include exposure to infections, hazardous materials (including waste) and equipment, emergency situations (such as fires, power outages, etc.). Each healthcare facility to be rehabilitated under the project will be equipped with fire safety equipment and emergency response plans will be developed. Given mobile teams exposure to unforeseen emergencies when on site, all mobile teams will have proper fire safety equipment on hand and be trained in respective emergency response protocols.

ESS3 Resource Efficiency and Pollution Prevention and Management



This standard is relevant to the project. The project activities will involve civil works on rehabilitation of existing public healthcare facilities. Typical pollution generated from these activities include: (i) dust and other forms of air pollution from construction site, transportation and auxiliary facilities; (ii) noise and vibration; and (iii) solid waste (medical waste, domestic waste and construction waste including used oil and lubricant). These impacts are temporary, site-specific and can be managed through a set of mitigation measures to be included in the ESMF and template ESMP/ESMP Checklist.

Air emissions will include exhaust from heavy vehicles and machinery, and fugitive dust generated by construction activities. Mitigation measures such as dust suppression, vehicle maintenance etc. will be applied to minimize the impacts and residual impacts are expected to be limited in scope and duration.

Noise will likely be generated from use of construction machinery and vehicle movements. The relatively short-term and small-scale nature of the works suggest that noise levels will not be excessive.

Liquid and solid waste will mainly include metal and glass pieces from demolished walls, old equipment, excavated soil, oils from construction machinery, concrete blocks, etc. Waste will be segregated, stored and disposed at approved sites. ESMF will specify appropriate waste management practices for collection, storage, transportation and disposal of construction waste and medical waste, including hazardous waste and specify for which cases a separate Waste Management Plan should be prepared.

The PV panels that will be required in the Component 2.1 will be from Tier 1 rated manufacturers (BNEF bankable rated), all of which are ROHS compliant and EU's PV Cycle associated. Provisions will be made in the OM procurement to ensure adherence to the adequate industry standards. Collection of exhausted PV panels will be within the OM contracts and fulfilled by the PV panels manufacturer, this will be envisaged by design and bidding documentation.

Reconstruction/rehabilitation works require clearance of vegetation or fauna habitats and may lead to soil loss and erosion. This could lead to substantial impacts in the areas with steep slope and vulnerable to disaster or climate variation or sensitive habitats. Soil erosion can lead to blockage of drainage or change of surface water flow or sedimentation.

The ESMF will provide guidance to screen and assess impacts and provide mitigation measures including application of good practice and close supervision of works to: (i) ensure that cutting of trees and vegetation is limited to a minimum and justified by technical requirements and that relevant national legislation is followed, and replacement where vegetation clearance is unavoidable; and (ii) soil loss and erosion is minimize/protected.

Required building material will potentially include stones, sand, concrete blocks and timber. Borrow material will be obtained from already existing and licensed borrow pits within Ukraine and possibly close to the project area to reduce the transportation distance. Should there be the need to open new borrow pits, the project shall ensure that all national regulations and assessments and permitting requirements are adhered to and pits reinstated as will be required through the site-specific ESIA/ESMP.

The ESMF/ESIA/ESMP will cover mitigation measures for effective use of natural resources, as well as pollution prevention and management, with a focus on those issues which might arise while conducting civil works for facilities reconstruction and rehabilitation activities. The Project-funded designs for reconstruction of existing and construction of new public healthcare facilities will include "greening" of hospitals by improving energy efficiency and providing access to alternative sources of energy.

The ESMF will cover healthcare facilities operations related risks, including handling of medical waste and contaminated wastewater; hazardous materials; prevention of spread of chemical, biological and medical infections; OHS risks from radiological exposure and fire safety risks from chemicals, pressurized gases and their flammable substrates.



ESS4 Community Health and Safety

Operational risks for healthcare facilities include exposure to infections, hazardous materials (including waste) and equipment, emergency situations (such as fires, power outages, etc.). Each healthcare facility to be rehabilitated under the project will be equipped with fire safety equipment and emergency response plans will be developed. Given mobile teams exposure to unforeseen emergencies when on site, all mobile teams will have proper fire safety equipment on hand and be trained in respective emergency response protocols.

There continues to be a threat of a missile attack across the entire country. There is potential for safety incidents due to the indiscriminate or targeted aerial attacks during the delivery of the medical services supported by the project and associated risks and impacts. Project associated works are to be conducted in areas of the country that are well away from the immediate vicinity of the warfront and there are no plans to use military or police for security purposes under the project. However, the sites are likely still exposed to risk of indiscriminate or targeted aerial bombardment that is currently being experienced across the country. There is a risk that healthcare infrastructure facilities and nearby communities may be impacted by such attacks.

War has dramatically increased the demand for mental health and rehabilitation services in Ukraine. Meeting this demand is particularly challenging given the outdated service delivery models relying on in-patient admissions and insufficient personnel with relevant expertise. Some services will require participants to attend in person activities (e.g. immunization or mental support counseling sessions) and would require essential medical workers to staff their places of employment or conduct outreach activities potentially increasing their risk of

exposure to attack. Emergency preparedness measures in response to community health and safety risks associated with the operating context, including measures to promote community awareness, will be set out in the ESMF and included in ESCP. Implementation of mental health services will build on the existing and previously implemented models of integrating mental health at the PHC level, and a rapid rollout of services through mobile teams.

In Ukraine, gender-based violence has been documented as a weapon of war by invading soldiers and is most likely a risk in the immediate combat areas. Special attention by the project, both in terms of training and service provision, will be given to services related to gender-based violence. Information on availability of survivor-centric SEA/SH services available in country will be included in the POM.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

No new construction is envisaged under project activities. All rehabilitation activities will be done within existing footprints. While very unlikely, the project will include measures to address any informal encroachment or occupation prior to commencing civil works.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The proposed Project activities are expected to be restricted to existing facility footprints and therefore impacts on habitats is expected to be limited to vegetation clearance and short-term disturbance to local fauna. The ESMF will have provisions that vegetation clearance should be kept to a minimum and be done during non-breeding period.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

N/A



ESS8 Cultural Heritage

This standard is relevant. Damage to cultural or archaeological heritage has been extensive due to deliberate targeting by Russian aerial bombardment, but the project activities are not known to be located in the vicinity of such assets. Activities will be screened for potential impacts on known heritage sites and practices and those having impacts on cultural heritage will not be eligible for project financing.

The Chance finds procedure will be outlined in the ESMF in order to guide on how it will be reflected into the ESAs (ESIA/ESMPS/ESMP Checklist) to be prepared later on.

ESS9 Financial Intermediaries

N/A

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways No

OP 7.60 Projects in Disputed Areas No

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? No

Areas where “Use of Borrower Framework” is being considered:

N/A

IV. CONTACT POINTS

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Borrower/Client/Recipient

Public Disclosure



Borrower: Ministry of Finance

Implementing Agency(ies)

Implementing Agency: Ministry of Health

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

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